

**PENNSYLVANIA HOUSING FINANCE AGENCY  
KEYSTONE ADVANTAGE LOAN PROGRAM**

**NOTE**

Amount \$ \_\_\_\_\_, 20 \_\_\_\_\_

FOR VALUE RECEIVED, the undersigned \_\_\_\_\_, jointly, separately and severally (herein collectively "Borrower"), real estate located at \_\_\_\_\_ promise to pay to the PENNSYLVANIA HOUSING FINANCE AGENCY (herein "LENDER"), its successor and or assigns, at such other place as Lender may from time to time designate in writing, the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), together with interest at a rate of \_\_\_\_\_ % per annum.

1. **Terms of Repayment.** Borrower agrees to pay this sum in 120 installments of \$ \_\_\_\_\_ each. Payments will be due monthly starting \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ and the same day of each succeeding month thereafter until the loan is paid in full.

2. **Prepayment of Note.** Borrower may prepay the principal due on this Note in whole or in part at any time, without penalty. A partial prepayment, however, will not excuse Borrower from making any scheduled payment of principal and interest when it becomes due.

3. **Late Charge.** If the installment due under this Note is paid after the 15<sup>th</sup> day of the month, Borrower shall pay Lender a late charge as indicated on the first mortgage note of the overdue installment.

4. **Security.** As security for all sums due on this Note, Borrower gives Lender a security interest in the real estate described above.

The terms, covenants, conditions and provisions of the Mortgage of even date herewith are hereby incorporated into this Note (herein "Mortgage").

5. **Events of Default.** Any of the following events shall constitute an "Event of Default" under this Note:

- A. Failure of Borrower to pay any sum due on this Note promptly on or before its due date;
- B. Failure of Borrower to fully and faithfully observe or perform any of the terms of this Note or any document executed in connection with this Note, including the Mortgage;
- C. Insolvency of Borrower, or the filing of a Petition by or against Borrower under the Federal Bankruptcy Code or which states that Borrower is unable to pay debts as they come due;
- D. Death of all Borrowers;
- E. Failure of Borrower to promptly furnish Lender with such financial or other relevant information as Lender may reasonably request;
- F. Submission by Borrower of false information or signatures at any time in connection with this Note, any application or document executed in connection with this Note or other instrument or agreement with Lender.
- G. Sale or transfer of the property.

6. **Lender's Rights Upon Default.** At any time after the occurrence of any Event of Default, Lender may do any one or more of the following:

- A. Declare the entire unpaid principal balance of this Note, together with interest accrued thereon, to be immediately due and payable;

B. Apply the net proceeds of any property securing this Note first to Lender's expenses in selling that property and collecting this Note, including court costs and reasonable attorney's fees, then to interest, and then to any remaining principal owed Lender on this Note;

C. Exercise any other right or remedy as may be provided by law or in this Note or any document executed in connection with this Note;

D. If Lender waives any Event of Default, that waiver shall not bind Lender, if the same or another Event or Default occurs later.

7. **Co-Signers.** The person(s) who sign as "Co-Signers(s)", intending to be legally bound jointly and severally with Borrower to all terms and conditions of this Note promises to pay to Lender or to order of Lender all sums due on this Note and to make payments promptly when due, upon demand by Lender. Co-Maker(s) understands and agrees that Lender may demand payment from Co-Maker(s) without making any prior demand for payment upon Borrower.

8. **Assumability.** This subordinate mortgage debt may be assumed with the lender's consent on government insured or guaranteed loans along with the first mortgage debt.

The undersigned hereby agree to be bound to all the terms and conditions of this Note.

\_\_\_\_\_  
Borrower's signature

\_\_\_\_\_  
Borrower's signature

\_\_\_\_\_  
Co-Signer's signature (if applicable)

\_\_\_\_\_  
Co-Signer's signature (if applicable)

Mortgage Loan Officer's Name: \_\_\_\_\_ NMLS Number: \_\_\_\_\_

Loan Origination Organization \_\_\_\_\_ NMLS Number: \_\_\_\_\_